

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Wind Integration Study
Required by Minnesota Laws 2005, Chapter
97, Article 2, Section 6

ISSUE DATE: July 22, 2005

DOCKET NO. E-999/CI-05-973

ORDER DIRECTING PARTICIPATION IN
AND IMPLEMENTATION OF A WIND
INTEGRATION STUDY

PROCEDURAL HISTORY

On May 25, 2005, the Omnibus Energy Bill¹ was signed into law. Article 2, Section 6 of the bill requires that the Commission order all electric utilities covered by the Renewable Energy Objectives statute², to contract jointly with an independent firm to study the impacts on reliability and costs of increasing wind capacity to 20 percent of Minnesota retail electric sales by 2020 and to develop options for utilities to use in managing the intermittent nature of wind.

Comments from the covered electric utilities or other potentially interested persons were not formally requested by the Commission because the law is clear in its direction to the Commission and the participants. All parties on the official service list for Docket No. E-999/CI-03-869, the Commission's proceeding on implementing the Renewable Energy Objectives, however, were given notice that Commission would consider this item at its July 14, 2005 agenda meeting and a copy of Commission Staff briefing papers was made available, which contained a recommended Commission course of action.

On July 14, 2004, the Commission met to consider this matter.

¹ Minnesota Laws 2005, Chapter 97 (S.F. 1368, 3rd Engrossment).

² Minn. Stat. § 216B.1691.

FINDINGS AND CONCLUSIONS

I. COMMISSION ANALYSIS

Article 2, Section 6 of the 2005 Omnibus Energy Bill mandates a study of the impacts on reliability and costs of increasing wind capacity to 20 percent of Minnesota retail electric sales by 2020. The study, which must be completed by November 30, 2006, is also to develop options for utilities to use in managing the intermittent nature of wind.

The law authorizes and directs the Reliability Administrator to 1) select the independent firm to conduct the study; 2) manage the study process; and 3) appoint a stakeholders' group with experience and expertise in wind energy and power systems to review the study's proposed methods, assumptions, and preliminary data.³

The law also requires that all utilities subject to Minn. Stat. §216B.1691 must participate in the statewide wind integration study. In a previous Order, the Commission has identified the utilities that are subject to Minn. Stat. §216B.1691.⁴

II. COMMISSION ACTION

Consistent with the content and timetable specifications established for the wind study by the statute and the Commission's jurisdiction over the utilities identified above, the Commission will facilitate the timely completion of the wind study and other objectives of the legislation by issuing this Order.

ORDER

1. All electric utilities as defined in Minn. Stat. § 216B.1691, subd. 1 (b) shall participate in the statewide wind integration study required under Minn. Laws 2005, Chapter 97, Article 2, Section 6. The utilities subject to this obligation therefore are:

³ The position, authorities, and responsibilities of the Reliability Administrator under Minn. Stat. §216C.052 transferred from the Department of Commerce to the Commission pursuant to Minn. Laws 2005, Chapter 97, Article 3, Sections 16 and 18, effective July 1, 2005.

⁴ See *In the Matter of Detailing Criteria and Standards for Measuring an Electric Utility's Good Faith Efforts in Meeting the Renewable Energy Objectives Under Minn. State 216B.1691*, Docket No. E-999/CI-03-869, INITIAL ORDER DETAILING CRITERIA AND STANDARDS FOR DETERMINING COMPLIANCE WITH MINN. STAT. § 216B.1691 AND REQUIRING CUSTOMER NOTIFICATION BY CERTAIN COOPERATIVE, MUNICIPAL, AND INVESTOR-OWNED DISTRIBUTION UTILITIES (June 1, 2004).

Public utilities providing electric service

Northern States Power Company d/b/a Xcel Energy
Minnesota Power
Otter Tail Power
Interstate Power & Light Company
Northwestern Wisconsin Electric Company

Generation & transmission cooperative electric associations

Great River Energy
Minnkota Power Cooperative
Dairyland Power Cooperative
Basin Electric Power Cooperative
East River Electric Power Cooperative
L & O Power Cooperative

Municipal power agencies

Southern Minnesota Municipal Power Agency
Western Minnesota Municipal Power Agency/Missouri River Energy Services
Northern Municipal Power Agency
Minnesota Municipal Power Agency
Central Minnesota Municipal Power Agency

2. As part of their participation in the study, the electric utilities identified above shall
 - contract jointly with an independent firm selected by the Reliability Administrator to conduct the study;
 - cooperate with the firm conducting the study by providing requested data as promptly as technically feasible; and
 - cooperate with the firm conducting the study and with the Reliability Administrator by responding to other requests related to conducting the study and completing it by November 30, 2006.
3. In addition, the identified electric utilities shall
 - use the study's results to provide the Commissioner of the Minnesota Department of Commerce and the Commission with estimates of the impact on their electric rates of increasing wind capacity to 20 percent, assuming no reduction in reliability; and
 - incorporate the study's findings into resource plans filed with the Commission under Minn. Stat. § 216B.2422 and renewable energy objectives reports filed with the Commission under Minn. Stat. § 216B.1691, subd. 3.

4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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